

DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

**LIEUTENANT GENERAL ROBERT VAN ANTWERP
CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS**

BEFORE

**THE SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE**

ON

THE ARMY CIVIL WORKS PROGRAM

June 18, 2009

Mr. Chairman and distinguished Members of the Subcommittee:

I am honored to be testifying before your subcommittee today, along with the Acting Assistant Secretary of the Army (Civil Works), Mr. Terrence Salt, on the President's Fiscal Year 2010 (FY10) Budget for the United States Army Corps of Engineers' Civil Works Program.

My statement covers the following 5 topics:

- Summary of FY10 Program Budget
- Investigations Program
- Construction Program
- Operation and Maintenance Program
- Value of the Civil Works Program to the Nation

SUMMARY OF FY10 PROGRAM BUDGET

Introduction

The Fiscal Year 2010 Civil Works Budget is a performance-based budget, which makes the best use of available funds through a focus on the projects and activities that provide the highest economic and environmental returns on the Nation's investment or address significant risk to human safety. The Civil Works Budget consists of discretionary funding request of \$5.125 billion and mandatory funding of \$464 million, for a total direct program of \$5.589 billion. In addition, Reimbursable Program funding, work that the Corps does for other agencies and entities with those agencies' and entities' funds, will be approximately \$2.5 billion.

Direct Program

The Budget reflects the Administration's commitment to the sound management of the Nation's water resources. The Budget incorporates objective performance-based metrics for the construction and the operation and maintenance programs, and for proposed projects undergoing preconstruction engineering and design. It provides a high level of funding for maintenance, with a focus on those facilities that are of central importance to the Nation. It provides funding for the regulatory program to protect the Nation's waters and wetlands, and supports restoration of aquatic ecosystems. Additionally, it emphasizes the need to fund emergency preparedness and training activities for the Corps as part of the regular budget process.

Reimbursed Program

Through the Interagency and Intergovernmental Services Program we help non-DOD Federal agencies, state, local, and tribal governments, and other countries with technical assistance in the areas of planning, engineering and construction. Rather than develop an internal workforce to oversee large design and construction projects, these entities utilize the skills and talents that we bring to our own Civil Works and Military Program missions. Our support is primarily through the development of contracts with private sector firms to perform technical assistance and management of engineering, environmental, and construction projects. This portion of our work is totally reimbursed by the Agencies and entities that seek our assistance.

Currently, we provide reimbursable support for about 70 Federal agencies and several state and local governments. Total reimbursement for such work in FY10 is projected to be approximately \$2.5 billion. The exact amount will depend on the extent of FY10 assignments.

INVESTIGATIONS PROGRAM

The Budget for the investigations program would enable the Corps to evaluate and design the future projects that are most likely to be high-performing, within the Corps three main missions: Commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The budget includes \$100 million for these and related activities in the Investigations account and \$2.084 million in the Mississippi River and Tributaries account.

This year the budget includes three new watershed studies, Ocmulgee River Basin Watershed, Georgia; Green River Watershed, Kentucky; and St. Louis Missouri River Watershed, Missouri; and a study addressing Access to Water Data. The Budget also includes \$2 million for a high-priority, interagency evaluation of the Nation's vulnerability to damage from flooding, the Water Resources Priority study, as authorized in Section 2032 of the Water Resources Development Act of 2007 (WRDA 2007).

CONSTRUCTION PROGRAM

The Fiscal Year 2010 Budget includes \$1.718 billion in discretionary funding in the Construction account and \$87.343 million in the Mississippi River and Tributaries account to further this objective.

The Budget funds 93 construction projects, including 10 dam safety assurance, seepage control, and static instability correction projects, 9 projects that address a significant risk to human safety, and 8 project completions. Also, the Budget provides significant funding for Corps aquatic ecosystem restoration efforts in South Florida including the Everglades, and in the Columbia River Basin and the Missouri River Basin, where this work supports the continued operation of Corps of Engineers multi-purpose projects by meeting the requirements of the Endangered Species Act.

This budget includes funding for 5 new, high performing, construction projects. These include Washington D.C. and vicinity flood risk reduction project; the Deep Creek Bridge Replacement, Virginia project on the Atlantic-Intercostal Waterway; the Norfolk Harbor, Craney Island, Virginia project; the Kansas City, Missouri and Kansas City, Kansas flood risk reduction project; and the Napa River Salt Marsh, California environmental restoration project.

The Budget uses objective performance measures to establish priorities among projects, and through continued proposed changes in the Corps contracting practices, that will also increase control over future costs. The performance measures used include the benefit-to-cost ratios for projects whose primary outputs are economic and are measured by economic returns. The selection process also gives priority to dam safety assurance, seepage control, static instability correction, and to projects that address a significant risk to human safety. Under each of these criteria, resources are allocated based on performance. This approach significantly improves overall program performance.

OPERATION AND MAINTENANCE PROGRAM

As soon as the Corps constructs a project, the infrastructure begins to age. Generally, with periodic maintenance, we can operate our facilities for many years. The Budget supports our continued stewardship of this infrastructure by focusing funding on key infrastructure that is of central importance to the Nation.

The Operation and Maintenance (O&M) program for the FY10 Budget includes \$2.504 billion in the O&M account and an additional \$158.573 million under the Mississippi River and Tributaries program. The Corps used objective performance criteria to allocate operation and maintenance funds to facilities. These criteria considered both the condition of the project and the potential consequences for project performance if the O&M activity is not undertaken in the 2010 Budget. The focus is on the maintenance of key commercial navigation, flood and storm damage reduction, hydropower, and other facilities. Specifically, the operation and maintenance program supports completed works owned or operated by the Corps of Engineers. Other work to be accomplished includes dredging, repair, aquatic plant control, removal of sunken vessels, monitoring of completed coastal projects, and operation of structures and other facilities, as authorized in the various River and Harbor, Flood Control, and Water Resources Development Acts.

VALUE OF THE CIVIL WORKS PROGRAM TO THE NATION

We are privileged to be a part of an organization that directly supports the Nation's infrastructure. The way in which we manage our water resources can improve the quality of our citizens' lives and the environment in which we live.

For example, Corps personnel from across the nation continue to re-construct and improve the storm damage reduction system for New Orleans. Their work will reduce the risk of damage from future storms to people and communities.

Research and Development

The Research and Development Program for the Civil Works Program provides innovative engineering products, some of which can have applications in the private sector and in the military infrastructure sphere as well. By creating products that improve the efficiency and competitiveness of the nation's engineering and construction industry and providing more cost-effective ways to operate and maintain infrastructure, Civil Works program research and development contributes to the national economy.

CONCLUSION

The Corps of Engineers is committed to staying at the leading edge of service to the Nation. We're committed to change that ensures an open, transparent, and performance-based Civil Works Program.

Thank you, Mr. Chairman and Members of the Subcommittee. This concludes my statement.